

V. REFUND AND COLLECTION PROCEDURES**A. General**

This section outlines processing and handling procedures for refunds and installment repayments. Examples include ineligible beneficiaries, third party insurance, overpayments, duplicate payments, payments to wrong providers or beneficiaries.

B. Collection and Deposit Procedures

A contractor's collection process shall include procedures which provide for prompt and continuing action to collect monies owed to or received by that contractor for TRICARE. A contractor shall make deposits as soon as possible but not later than the close of the next business day.

C. Reporting Refunds, Partial Offsets and Interest Collected

1. With the exceptions of refunds of ten dollars (\$10.00) or less and unidentifiable refunds sent to the TMA address, all returned checks and refunds received from beneficiaries and providers shall be processed as adjustments to claims.

2. For any refund of ten dollars (\$10.00) or less, or any refunds determined to be unidentifiable, the contractor shall not make an adjustment transaction. Instead, a memorandum of record shall be prepared and a summary report to TMA shall be submitted monthly.

3. The contractor shall submit a check and a summary report *to TMA, Contract Resource Management*, for the items listed below. The check and report are due on the fifteenth (15th) *calendar day* of the month following the reporting month. Do not include amounts which will be, or which have been, included in a credit adjustment. Negative reports are required. The report shall identify the totals of the following (supporting documentation will not be sent but should be available to respond to any concerns):

- a.** Unidentified items;
- b.** Items under \$10 such as refunds, cancelled and stale dated checks;
- c.** Interested collected on repayments;
- d.** Court-ordered restitution
- e.** Unable to adjust transactions; and
- f.** Any other transaction that was included.

D. Installment and Partial Repayments

1. In the case where contractors have received less than full payment (e.g., installment or partial repayments), the contractor shall accumulate the repayments in the not-at-risk TRICARE bank account until repayment is final. At that time, an adjustment transaction HCSR shall be submitted to TMA. For all recoupment cases not completely

collected as of the end of the fiscal year; the total amount collected to date shall be transferred to the new fiscal bank account by October 31.

E. Offsets

Offsets are discussed in *OPM Part Two, Chapter 5*.

F. Reissue of Refund Payments

If it becomes necessary to repay a refund that was collected erroneously, the same procedure shall be used for the repayment as was used for the collection. That is, if the collection was processed as a claim adjustment through the claims processing system, the repayment shall also be processed as a claim adjustment. If the collection was under \$10.00 and was processed without a claims adjustment, the repayment shall also be processed without a claims adjustment. Such payments shall be reported to TMA in the same manner as collections under \$10.00.

G. Accounts Receivable

The contractor shall provide a monthly report to TMA, Contract Resource Management, on the status of receivables. The report is due by the fourth (4th) Federal workday of the subsequent month and may be faxed. See *Figure 1-4-A-5* and *Figure 1-4-A-6* for reporting requirements.